

UNITED STATES
SECURITIES AND EXCHANGE CO.
Washington, D.C. 20549



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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 45573

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2007 AND ENDING December 31, 2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Workman Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6500 City West Parkway, Suite 350

(No. and Street)

Eden Prairie

Minnesota

55344

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Paul Maxa

952-541-6094

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Robert H. Williams, LLC

(Name - if individual, state last, first, middle name)

7400 Metro Blvd., Suite 100

Edina

Minnesota

55439

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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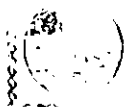
**THOMSON
FINANCIAL**

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Paul J. Maxa, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Workman Securities Corporation, as of December 31,, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Notary Public

Paul J. Maxa
Signature

CEO
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

WORKMAN SECURITIES CORPORATION

FINANCIAL STATEMENTS

As of
December 31, 2007

WORKMAN SECURITIES CORPORATION

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Robert H. Williams, LLC

**Certified Public Accountant
7400 Metro Boulevard, Suite 100
Edina, Minnesota 55439**

**Telephone (952) 224-4199
Fax (952) 224-4198**

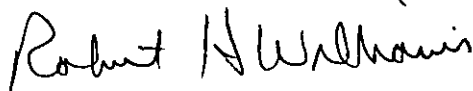
INDEPENDENT AUDITOR'S REPORT

Board of Directors
Workman Securities Corporation
Eden Prairie, Minnesota

We have audited the accompanying statements of financial condition of Workman Securities Corporation as of December 31, 2007 and 2006 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Workman Securities Corporation at December 31, 2007 and 2006 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.



ROBERT H. WILLIAMS, LLC
Edina, Minnesota

February 6, 2008

WORKMAN SECURITIES CORPORATION

STATEMENTS OF FINANCIAL CONDITION

December 31, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Cash	\$ 245,783	\$ 200,830
Cash deposits with clearing organizations	25,000	25,000
<u>Total cash</u>	<u>270,783</u>	<u>225,830</u>
Commissions receivable	501,446	500,538
Prepaid expenses	12,221	8,864
Furniture and equipment at cost less accumulated depreciation of \$60,042 and \$58,533	1,298	2,807
Securities owned:		
Marketable, at market value	89,082	55,422
<u>Total assets</u>	<u>\$ 874,830</u>	<u>\$ 793,461</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accrued commissions	\$ 416,697	\$ 397,630
Other accrued expenses	38,210	1,000
<u>Total liabilities</u>	<u>454,907</u>	<u>398,630</u>

Stockholder's equity

Common stock, no par value		
2,000 shares authorized		
1400 shares issued and outstanding	25,000	25,000
Additional paid-in capital	372,929	372,929
Retained earnings (deficit)	21,994	(3,098)
<u>Total stockholders' equity</u>	<u>419,923</u>	<u>394,831</u>

<u>Total liabilities and stockholders' equity</u>	<u>\$ 874,830</u>	<u>\$ 793,461</u>
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The accompanying notes are an integral part of these financial statements.

WORKMAN SECURITIES CORPORATION

STATEMENTS OF INCOME

For The Years Ended
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Revenues</u>		
Commission income	\$ 18,062,695	\$ 12,109,733
Investment advisory fees	1,034,961	692,116
Miscellaneous income	213,380	38,797
Interest	26,193	5,256
	<u>19,337,229</u>	<u>12,845,902</u>
<u>Expenses</u>		
Commissions	15,945,849	10,367,654
Management fee	771,174	476,183
Licensing and bonding	51,889	112,419
Office rent	138,492	105,800
Office supplies and expense	432,274	183,878
Professional fees	140,029	10,361
Training and compliance	8,077	47,842
Business insurance	(412)	40,209
Dues and subscriptions	17,287	20,565
Customer settlements	17,553	7,134
Depreciation	1,509	1,509
Clearing costs	223,719	171,682
Advertising	5,636	5,450
Salaries and wages	1,340,789	985,672
Health and dental insurance	24,408	24,782
Payroll taxes	88,703	61,472
Pension expense	18,090	21,958
Employee functions	2,879	1,404
Printing	7,583	13,708
Meals and entertainment	6,974	6,369
Travel	28,328	8,717
Recruitment	2,515	9,628
Marketing	13,512	4,621
Technology	23,726	36,639
Bad debts	-	178,850
Other expenses	554	313
	<u>19,311,137</u>	<u>12,904,819</u>
<u>Total expenses</u>		
	<u>19,311,137</u>	<u>12,904,819</u>
<u>Net income (loss) before income taxes</u>	26,092	(58,917)
Provision for income taxes	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<u>Net income (loss)</u>	<u>\$ 25,092</u>	<u>\$ (59,917)</u>

The accompanying notes are an integral part of these financial statements.

WORKMAN SECURITIES CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For The Years Ended
December 31, 2007 and 2006

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
<u>Balance, December 31, 2005</u>	1400	\$ 25,000	\$ 372,929	\$ 56,819	\$ 454,748
Net loss				(59,917)	(59,917)
<u>Balance, December 31, 2006</u>	1400	25,000	372,929	(3,098)	394,831
Net income				25,092	25,092
<u>Balance, December 31, 2007</u>	1400	\$ 25,000	\$ 372,929	\$ 21,994	\$ 419,923

The accompanying notes are an integral part of these financial statements.

WORKMAN SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Fees and commissions received	\$ 19,276,468	\$ 12,605,795
Cash paid to suppliers and employees	(19,256,708)	(12,577,073)
Interest received	26,193	5,256
Income taxes paid	(1,000)	(300)
<u>Net cash provided by operating activities</u>	<u>44,953</u>	<u>33,678</u>
<u>Cash flows from investing activities:</u>		
Purchase of securities	-	(24,000)
Repayment to officer	-	(2,401)
<u>Net cash used by investing activities</u>	<u>-</u>	<u>(26,401)</u>
<u>Net increase in cash</u>	<u>44,953</u>	<u>7,277</u>
<u>Cash at beginning of year</u>	<u>225,830</u>	<u>218,553</u>
<u>Cash at end of year</u>	<u>\$ 270,783</u>	<u>\$ 225,830</u>
<u>Reconciliation of net income to net cash provided</u> <u>by operating activities</u>		
Net income (loss)	\$ 25,092	\$ (59,917)
<u>Adjustments:</u>		
Depreciation	1,509	1,509
Increase in commissions receivable	(908)	(46,779)
Increase in prepaid expenses	(3,357)	(5,213)
Increase in accrued commissions	19,067	152,630
Increase in other accrued expenses	37,210	670
Increase in marketable securities	(33,660)	(9,222)
<u>Total adjustments</u>	<u>19,861</u>	<u>93,595</u>
<u>Net cash provided by operating activities</u>	<u>\$ 44,953</u>	<u>\$ 33,678</u>

The accompanying notes are an integral part of these financial statements.

WORKMAN SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

For The Years Ended
December 31, 2007 and 2006

1. Nature of Business

Workman Securities Corporation is registered as a broker-dealer under the Securities Exchange Act of 1934. As of December 31, 2007, the company is a registered broker-dealer in all 50 states and the District of Columbia and a registered investment advisor in 31 states. The Company is a Minnesota Corporation that is wholly-owned by BDMA, Inc. (Parent).

The majority of the Company's commission revenue is earned from variable annuity and mutual fund investments and transfers executed on behalf of its customers. The Company also earns commissions on various life insurance products, universal life and variable life insurance policies, and securities transactions.

2. Significant Accounting Policies

Cash and Cash Equivalents:

The Company includes money market funds in the category of cash as presented in the cash flow statement.

Commissions Receivable:

Receivable from clearing organization primarily represents accruals for commission amounts due from various mutual fund sponsors and life insurance companies. It is the Company's policy to use the reserve method to write off uncollectible accounts. Management anticipates no substantial losses from present receivable balances. Therefore, no provision has been made for doubtful accounts at December 31, 2007 and 2006.

Depreciation:

Office equipment is stated at cost. Repairs and maintenance are expensed as incurred. The company provides for depreciation using the straight-line method over the estimated useful lives of the assets. Accelerated methods of depreciation are used for income tax purposes. The estimated useful lives of the assets are five to seven years.

The Company reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. The amount of the loss is determined by comparing the fair market values of the assets to the carrying amount of the assets.

Investments:

The Company's investments are reported at market.

WORKMAN SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

For The Years Ended
December 31, 2007 and 2006

Income Taxes:

The Company is an S corporation for income tax purposes. As such, the Company is not subject to federal and state income taxes. The taxable income or loss resulting from operations, along with various tax credits, are reported by the stockholders on their federal and state individual income tax returns. The provision for income taxes is a franchise tax charged by the state of Minnesota.

Revenue Recognition:

Commission revenue and related expenses for mutual fund and securities transactions and variable annuity contract purchases are recorded on a trade-date basis. Commission revenue and related expenses for life insurance policies are recorded when the insurance company approves the policy. Investment advisory fees are recognized as earned as they are received.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Net Capital Requirements

The Company, as a registered broker and dealer in securities, is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (rule 15c3-1).

Under the computation provided by the Uniform Net Capital Rule and effective July 5, 2006, the Company is required to maintain net capital equal to the greater of \$50,000 or 6-2/3% of aggregate indebtedness. At December 31, 2007 and 2006, the Company had net capital, as computed under the rule, of \$364,377 and \$369,744 respectively.

4. Exemption – SEC Rule 15c3-3

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission as all customer transactions are cleared through another broker/dealer on a fully disclosed basis. The Company, therefore, is not required to make the periodic computation of reserve requirements for the benefit of customers.

As part of our examination we ascertained the Company was in compliance with the exemptive provisions of SEC Rule 15c3-3 as of December 31, 2007. No facts came to our attention indicating that the firm had not complied with the conditions of the exemption to Rule 15c3-3 since the last audit.

WORKMAN SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

For The Years Ended
December 31, 2007 and 2006

5. SIPC Supplemental Report

The requirements for filing an SIPC Supplemental Report is not applicable, since SIPC has suspended assessments based on net operating revenue.

6. Related Party Transactions

BDMA, Inc. owns 100% of the outstanding stock of the Company. The Company entered into a management agreement with BDMA, Inc. on January 1, 2002. The agreement provided BDMA, Inc. the right to manage the Company and the right to receive the profits generated by the Company. The agreement was amended January 1, 2006 and February 1, 2007 to include office rental, equipment rental, general overhead, salaries and employee benefits.

7. Pension Plans

(a) 401(k) Plan

The plan covers all eligible employees who are 21 years of age and have completed one year of service. The Company contributes 50% of the employee's contribution up to 6% of qualifying wages. The contribution by the Company for 2007 and 2006 was \$18,090 and \$21,958 respectively.

8. Concentration of Credit Risk

The Company maintains a cash balance at an institution that is federally insured to \$100,000. The Company had uninsured amounts at December 31, 2007 and 2006 of \$62,005 and \$4,099 respectively.

9. Contingent Liabilities

The Massachusetts Securities Division filed an administrative action against the Company on March 6, 2007. The action relates to the sale by one of the Company's former registered representatives of fixed income products to customers who were not clients of the Company. The complaint alleged that the Company may have violated various provisions of the Massachusetts Uniform Securities Act by failing to adequately supervise the outside business activity of the representative. The complaint seeks an unspecified fine, client remediation, and other forms of relief. The company filed an answer denying the claims. No hearing date has been set. The Company is engaged in preliminary discussions with the Division regarding settlement of the matter.

Robert H. Williams, LLC

**Certified Public Accountant
7400 Metro Boulevard, Suite 100
Edina, Minnesota 55439**

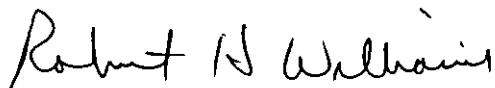
**Telephone (952) 224-4199
Fax (952) 224-4198**

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

Board of Directors
Workman Securities Corporation
Eden Prairie, Minnesota

We have audited the accompanying financial statements of Workman Securities Corporation as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated February 6, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



ROBERT H. WILLIAMS, LLC
Edina, Minnesota

February 6, 2008

WORKMAN SECURITIES CORPORATION

COMPUTATION OF NET CAPITAL
UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2007

Net Capital

Total stockholders' equity \$ 419,923

Deductions

Non-allowable assets:

Due from reps \$ 14,358

Prepaid expenses 12,221

Property and equipment, net 1,298

Total 27,877

Haircuts

NASDAQ stock, Market value \$89,082 @ 15% 13,362

Dain Rauscher Account \$83,778 @ 2% 1,676

US Bank Sweep \$257,469 @ 2% 5,149

Under Concentration \$89,082 - (\$392,045

X 10%), \$19,878 @ 15% 7,482

Total 27,669

Adjusted net capital \$ 364,377

Minimum net capital requirement per rule 15c3-1(a)(2)(vi)
(The greater of \$50,000 or 6 2/3% of aggregate indebtedness)

Aggregate indebtedness \$ 454,907

Computation of excess net capital

Adjusted net capital \$ 364,377

Minimum net capital required:

Dollar minimum \$ 50,000

6-2/3% of aggregate indebtedness 30,327

Greater of above 50,000

Excess net capital \$ 314,377

Ratio of aggregate indebtedness to net capital 1.25

See independent auditors report on supplementary information.

WORKMAN SECURITIES CORPORATION

RECONCILIATION BETWEEN THE COMPUTATION FOR DETERMINING NET
CAPITAL AND AGGREGATE INDEBTEDNESS AS PRESENTED HEREIN AND
AS REPORTED BY THE COMPANY IN FORM X-17a-5(a)

December 31, 2007

	<u>Net Capital</u>	<u>Aggregate Indebtedness</u>
Total per Form X-17a-5(a)	\$ 349,874	\$ 469,195
Adjustments:		
Corporate income taxes	(1,000)	1,000
Commissions payable	15,289	(15,289)
Change in Undue Concentration Haircut	214	-
Rounding	-	1
<u>Total per this report</u>	<u>\$ 364,377</u>	<u>\$ 454,907</u>

See independent auditors report on supplementary information.

Robert H. Williams, LLC

**Certified Public Accountant
7400 Metro Boulevard, Suite 100
Edina, Minnesota 55439**

**Telephone (952) 224-4199
Fax (952) 224-4198**

INDEPENDENT AUDITORS' REPORT ON

INTERNAL CONTROL

Board of Directors
Workman Securities Corporation
Eden Prairie, Minnesota

In planning and performing our audit of the financial statements of Workman Securities Corporation as of and for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

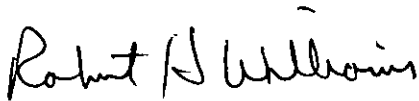
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in the accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



ROBERT H. WILLIAMS, LLC
Edina, Minnesota

February 6, 2008

END